## Message Text

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**ACTION EA-09** 

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FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 3194

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY WELLINGTON

CINCPAC

S E C R E T KUALA LUMPUR 2365

NOFORN

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, MY, RP, BX

SUBJECT: COMMENTS OF NEW SABAH CHIEF MINISTER ON BRUNEI AND AID TO

PHILIPPINE INSURGENTS

1. SUMMARY. NEW SABAH CHIEF MINISTER TUN MOHD. FUAD TOLD EA/IMS COUNTRY OFFICER APRIL 17 THAT ASSISTANCE THROUGH SABAH TO THE PHILIPPINE MUSLIM REBELS AND TO DISSIDENT BRUNEI PEOPLE'S PARTY WOULD STOP. EMBASSY NOTES THAT COICE IS NOT REALLY FUAD'S. THE MISSION FEELS THAT WHILE PRESENT KUALA LUMPUR GOVERNMENT MAY BE LESS INCLINED TO CONDONE DIRECT ASSISTANCE TO MORO REBELS THE GOM WILL NOT GIVE UP SECRET

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POSSIBILITY OF EXTENDING SUCH ASSISTANCE UNTIL PRESIDENT MARCOS

PUBLICLY AND CATEGORICALLY ABANDONS PHILIPPINE CLAIM TO SABAH. END SUMMARY.

- 2. TEXT OF REPORT OF CONVERSATION APRIL 17 IN KOTA KINABALU BETWEEN EA/IMS COUNTRY OFFICER SHEPARD AND NEW SABAH CHIEF MINISTER TUN MOHD. FUAD (DONALD STEPHENS) FOLLOWS: DURING COURSE OF LONG CONVERSATION SHEPARD MENTIONED HE WOULD BE GOING TO BRUNEI FOLLOWING DAY. HE WAS ASKED BY TUN FUAD TO TELL UK HIGH COMMISSION THERE THAT "SABAH'S RELATIONS WITH BRUNEI WILL BE QUITE DIFFERENT NOW, IN FACT THEY WILL BE GREATLY IMPROVED."
- 3. SHEPARD TOOK ADVANTAGE OF OPPORTUNITY TO THEN ASK WHETHER "SABAH'S RELATIONS" WITH OTHER NEIGHBORS WOULD ALSO IMPROVE. TUN FUAD REFLECTED A MOMENT AND THEN SAID THOUGHTFULLY, "THERE WILL BE NO MORE PROBLEMS WITH MANILA." HE SAID IT WAS NO SECRET THAT HIS PREDECESSOR, FORMER CHIEF MINISTER TUN MUSTAPHA, HAD BEEN RUNNING GUNS AND MONEY FROM LIBYA'S QADDAFI TO THE PHILIPPINE GUERRILLAS, "THAT WILL STOP ENTIRELY, AND I WILL TELL MANILA SO-THROUGH OUR FOREIGN MINISTRY, OF COURSE," HE ADDED. HE THEN REMEMBERED THE PHILIPPINE REFUGEES IN SABAH AND WONDERED WITHOUT DECIDING WHETHER THEY SHOULD BE RESETTLED IN SABAH OR RETURNED TO THE PHILIPPINES. HE SEEMED TO LEAN TOWARDS RETURNING THEM TO MANILA. HE HAD HEARD THAT PRESIDENT MARCOS HAD SAID HE WOULD TAKE THEM BACK, AND "MOST OF THEM ARE NOT GUERRILLAS ANYWAY."
- 4. SHEPARD'S COMMENT: IT REMAINS TO BE SEEN WHETHER AN OFFICIAL NON-EVENT, THE ARMS SMUGGLING, CAN BE FORMALLY AND PUBLICLY ENDED. THERE WAS NO DOUBT, HOWEVER, THAT TUN FUAD, A FORMER MALAYSIAN HIGH COMMISSIONER TO AUSTRALIA, WAS MAKING A DELIBERATE POLICY STATEMENT. HE WAS TOLD THAT A REVERSAL OF TUN MUSTAPHA'S GUNRUNNING WOULD BE WELCOME NEWS IN BOTH MANILA AND WASHINGTON.
- 5. EMBASSY COMMENT: WHILE OF IMPORTANCE AND UNDOUBTEDLY SINCERELY MEANT, FUAD'S REMARKS TO SHEPARD ON BOTH THE PHILIPPINES AND BRUNEI SHOULD BE SEEN IN PERSPECTIVE. SECRET

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GOM INVOLVEMENT IN THE SOUTHERN PHILIPPINES WAS TRIGGERED BY EVIDENCE IN 1968-89 THAT PRESIDENT MARCOS WAS TRAINING MUSLIMS FOR INFILTRATION OF SABAH (THE JABIDAH AFFAIR).

ASSISTANCE HAS BEEN PROVIDED TO FILIPINO MUSLIM INSURGENTS DIRECTLY BY MUSTAPHA, BY LIBYA AND PERHAPS OTHER ARAB COUNTRIES THROUGH MUSTAPHA, AND THERE IS EVIDENCE OF GOM AGENCIES COLLABORATING WITH MUSTAPHA. SIMILARLY, THE GOM DECISION TO SUPPORT THE OUTLAWED BRUNEI

PEOPLE'S PARTY APPEARS TO HAVE BEEN INSPIRED BY PRIME MINISTER RAZAK'S ANGER AT THE SRI BEGAWAN'S PUBLIC DEMANDS FOR THE RETURN OF LIMBANG. ACCORDING TO UK AND ROYAL BRUNEI GOVERNMENT INTELLIGENCE SOURCES, THE REAPPEARANCE OF BPP LEADER AZAHARI AND THE CAMPAIGN OF HARASSMENT OF BRUNEI CARRIED ON FROM LIMBANG IS DIRECTLY ATTRIBUTABLE TO GOM AGENCIES WITH THE WILLING ASSISTANCE OF SARAWAK CHIEF MINISTER RAHMAN YA'ACUB. (WHILE POSSIBLE, THIS IS FIRST WE HAVE HEARD OF MUSTAPHA ASSISTING THE BPP.)

6. FOLLOWING THE APRIL 14 VICTORY OF HIS PARTY IN THE SABAH STATE ASSEMBLY ELECTIONS, FUAD REPORTEDLY EXPRESSED THE WISH THAT CONDITIONS IN THE SOUTHERN PHILIPPINES WOULD IMPROVE SO THE 60,000 (HIS FIGURE) FILIPINO MUSLIM REFUGEES IN SABAH COULD GO HOME. HE SUBSEQUENTLY "WELCOMED" REPORTS OF THE APRIL 18 VALENCIA COLUMN IN THE DAILY EXPRESS WHICH REPORTEDLY STATED THAT NOW THAT MUSTAPHA IS GONE "THERE IS NOTHING THAT WILL PREVENT PRESIDENT MARCOS FROM RENOUNCING THE PHILIPPINE CLAIM ON SABAH." IN TALKING TO SHEPARD. HE MAY ALSO CONCEIVABLY HAVE BEEN REACTING TO VALENCIA'S STATEMENT THAT "TUN FUAD HAS THE NEXT MOVE." WHILE FUAD'S ATTITUDE WILL UNDOUBTEDLY AFFECT THE DEGREE TO WHICH SABAH IS USED AS A CONDUIT FOR AID AND A BASE FOR THE MORO REBELS, IT IS THE FEDERAL GOVERNMENT WHICH WILL DETERMINE WHETHER HELP CONTINUES. INTELLIGENCE SOURCES INDICATE THAT DATAK HUSSEIN ONN SOUGH TO OBTAIN SOME CONVINCING ASSURANCES FROM MARCOS ON THE SABAH CLAIM AT THE BALI SUMMIT BUT WAS DISAPPOINTED BY MARCOS' REPLIES. ALTHOUGH MORE MODERATE IN THESE MATTERS THAN RAZAK, IT DOESN'T SEEM TO US THAT HUSSEIN IS LIKELY TO RULE OUT SUPPORT FOR THE FILIPINO MUSLIMS UNLESS MARCOS PUBLICLY AND CATEGORICALLY RENOUNCES THE SABAH CLAIM. EVEN IF THAT SHOULD ACTUALLY HAPPEN, THE SECRET

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QUID PRO QUO WOULD HAVE TO BE INVISIBLE AS MALAYSIA HAS FLATLY REFUSED TO ACKNOWLEDGE ANY PART IN THE SOUTHERN PHILIPPINE INSURGENCY OTHER THAN RECEIPT OF REFUGEES. IN ONE RESPECT, HOWEVER, FUAD SEEMS ALREADY TO HAVE DONE MARCOS A FAVOR BECAUSE, BY GROUNDING THE AIRCRAFT OF MUSTAPHA'S PERSONAL AIRLINE, HE HAS SEVERED AN IMPORTANT CLANDESTINE LINK USED TO FERRY OFFICIALS AND SUPPLIES TO AND FROM THE MIDDLE EAST. UNDERHILL

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